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**EVALUATING THE IMPACT OF CORPORATE LOGOS TOWARDS CORPORATE
REPUTATION: A CASE OF PERSIA AND MEXICO**

PANTEA FOROUDI

The Business School, Middlesex University London, United Kingdom, UK
P.foroudi@mdx.ac.uk* corresponding author.

KHALID HAFEEZ

The Claude Littner Business School, University of West London, UK
Khalid.hafeez@uwl.ac.uk

MOHAMMAD M. FOROUDI

Brunel Business School, Brunel University, United Kingdom,
Mohammad@foroudi.com

EVALUATING THE IMPACT OF CORPORATE LOGOS TOWARDS CORPORATE REPUTATION: A CASE OF PERSIA AND MEXICO

Abstract

Purpose - This paper examines the impact of corporate logos on corporate image and reputation in creating competitive advantage in the context of Persia and Mexico as emerging markets. This paper provides an extensive links between corporate logo and its dimension and internal stakeholders' attitudes towards advertisement, familiarity, and recognisability as intermediaries to corporate image and reputation.

Design/methodology/approach - A qualitative exploratory approach was taken, comprising 12 face-to-face interviews 14 skype in-depth interviews were conducted with graphic designers, design, communication and marketing consultant in Mexico and Persia based on attribution theory.

Findings - The study posits that the more favorable the name, color, typeface and design of the company and color, the more favorable the attitude Mexican consumers have towards the corporate logo, corporate image and reputation. However, in comparison for Persia these factors have less effect on customers' judgment and behavior, towards the corporate logo, corporate image and reputation. The research findings suggest that the selection of color in a corporate logo is related to its marketing objectives, cultural values, desired customer relationship levels with the organisation, and organisation's corporate communications.

Practical implications - Corporate logo should be considered a constructive tool that can be effectively applied to managing the image and reputation of any organization. Moreover we suggest that regional or cultural variants can play an important role while selecting the logos in different cultures. The results are helpful for communication professionals who deal with organization's corporate identity, branding, and communication, and aim to enhance the consistency of messages both visual and written within their organization

Originality/value - Corporate logo has received little attention in marketing literature and barely been researched in emerging market. This is the first research of its kind to find the effect of the compound logo in emerging markets of Persia and Mexico. It thereby adds to the corporate visual identity literature by developing of the sphere of influence of the corporate logo and its antecedents and consequences (corporate image and corporate reputation).

Keywords: Corporate logo, corporate image, corporate reputation, emerging market

Introduction

Corporate logo has received little attention in marketing literature and barely been researched in emerging market. Irrespective of domicile companies today generally recognize the significance of corporate logo in relation to the company's corporate image and reputation (Foroudi *et al.*, 2014; Olins, 1989; Van Riel *et al.*, 2001). A corporate logo is known as the basic and fundamental element in the development of corporate identity design. Firms must recognize the implications of design for all responses because multiple responses may be elicited (Henderson *et al.*, 2004). The essence of an organization is expressed by the logo through its corporate visual identity (Ashworth and Kavaratziz, 2010; Van den Bosch *et al.*, 2005 and 2006; Van der Lans *et al.*, 2009). A logo acts as a badge of identification, as a mark of quality and as a way to improve a company's image (Hagtvedt, 2011). Corporate image and reputation increases a company's positive visibility, transparency, authenticity, distinctiveness, and consistency (Fombrun and Van Riel, 2004; Van den Bosch *et al.*, 2006). For instance, the corporate logo is principally concerned with the management of appearance or impression, the visibility through the use of the corporate name and logo.

A company's logo can influence positive and desired attributes, which can add value to the reputation of an organization (Van Riel *et al.*, 2001). For example, companies spend enormous money, time and research on creating and designing a logo, which influences perceptions among a firm's customers in a positive way (Foroudi *et al.*, 2014; Olins, 1989; Van Riel *et al.*, 2001). It can enhance a company's uniqueness, improve its visibility, and positively impact the public impression (Fombrun, 1996). Organizations encourage shareholders to invest in the company (Fombrun and Shanley, 1990) and the corporate audience relies on corporate reputation when making investment decisions and product choices.

Marketing literature suggests that corporate logo design significantly influences consumer responses to the brand (Kohli *et al.*, 2002), logo (Henderson and Cote, 1998), and the organization (Stafford *et al.*, 2004). A logo is the most important vehicle of communication and often the company uses its logo to manage its image through the company's brand elements. A logo is one of business' most outspoken nonverbal cues. It has the role of creating awareness; triggering recognition of an organization; and, activating a stored image of the organization (Dowling, 2001, p.167). The corporate logo is used in the company's

communication process to create positive emotions and enhance recognition of the company and brand (Aaker, 1991; Balmer and Gray, 2000; Henderson and Cote, 1998; Melewar *et al.*, 2005; Muller *et al.*, 2011; Pittard *et al.*, 2007; Van den Bosch *et al.*, 2005, and 2006; Van der Lans *et al.*, 2009) and finally obtain a consensual definition among the target audience (Clow and Baack, 2010). “Logos should be chosen and designed with an eye toward relevant and specific marketing objectives” (Kohli *et al.*, 2002, p.61). Logos are influential tools for marketing and, to sustain success in a marketplace characterised by product communication clutter, companies try to build deep meaningful relationships with their customers (Bhattacharya and Sen, 2003). For instance, people regularly tend to make buying decisions based on the brand and corporate logo or even name rather than just for the product itself.

The standardising the corporate logo as the key element of corporate visual identity is presumed to have a positive effect on consumers’ awareness of advertising (Van den Bosch *et al.*, 2006) and increases consumers’ familiarity with the company and its services (Melewar *et al.*, 2001). A firm with sufficient budget prefers its corporate logo to be appropriately recognised and differentiated from competitors through extensive advertising (Henderson and Cote, 1998). Corporate logos are a great platform for innovative marketing and can cut through the media clutter to serve as a springboard for becoming more distinctive (Brachel, 1999). The individual react to an advertisement and on the attitude it engenders (Lichtle, 2007). The corporate logo as an organisation’s signature appears on advertisements (Snyder, 1993). The more powerful corporate logos have revolutionised the advertising world. O’Shaughnessy and O’Shaughnessy (2004) explain that effective advertising is always persuasive advertising. They defined persuasion as, “the process of trying to alter, modify or change the saliency of the values, wants and actions of others” (p.5). The corporate logo directly influences purchase intentions as a key economic advantage to customers (Wallace, 2001) and positively correlates with the company’s financial performance (Henderson *et al.*, 2004).

To understand designers and communication managers’ perception, attribution theory (Graham, 1991; Weiner, 1992) was employed. This study applies attribution theory which derived from social psychologists (Jones *et al.*, 1972). Attribution theory has been applied extensively in marketing and consumer behavior studies (Folkes, 1984). It has been used to give explanation of consumers’ decision-making process. Attribution method determines consumers’ likelihood of satisfaction, cognitive, emotional, and behavior (Weiner, 2000).

Furthermore, the favorability of the image consumers holds about an organization impact on their attitudes and behaviors (Sen and Bhattacharya, 2001). According to Foroudi *et al.* (2014) there is lack of empirical research into how corporate logo might be defined. In addition, little is known about the relationship between the corporate logo, its dimensions, antecedents and consequences (Van Riel *et al.*, 2001). Furthermore, marketing literature has no systematic study on the effect of compound logos on consumer evaluations of logos (Henderson and Cote, 1998; Pittard *et al.*, 2007; Van der Lans *et al.*, 2009).

Based on the research gap this research examines how firms in Persia and Mexico manage their corporate logo to have positive impact on their companies' image. Specifically, the research seeks to contribute to the current literature by recognizing whether companies in Persia and Mexico are approaching relationship between corporate logo and corporate image and corporate reputation in ways that are different to existing cross-cultural views of the research constructs. Foroudi *et al.* (2014) claimed that there requires to apply their theoretical constructs to contexts other than the ones in which they were developed. This requires more in-depth qualitative study to enables explanation of theoretically valuable contextual differences. This study conducted 26 semi-structured interviews with key informants, design/communication/marketing consultants in Persia and Mexico.

Iran and Mexico are two emerging economies, respectively in Asia and South American region; who are knocking at the doors to achieve the recognised status such as BRICS countries. Although Mexico population is twice as big compared to Iran (respectively, 122 million compared to 77.4 million), the two economies are much dependent on oil and manufacturing sector for growth. There is also good proportion of service sector making contribution in the GDP (59% for Mexico and 45% for Iran) service sector. It is envisaged that a comparison of these two emerging economies would provide interesting and enriching insights for developing conceptual relationships from multi-region and multi-cultural perspective. It is predicted that the lessons learned from Persia and Mexico will extend the knowledge of the ways in which the relationships between corporate logo and corporate image and reputation can be conceptualized. Applying the contextual lens to the issue of creating and maintaining the relationships between the research constructs among two countries firms may help to recognise practical and real-word insights for supporting businesses which seek to establish and strengthen links with Persia and Mexico organisations.

The rest of the paper is laid out as follows: it starts by defining corporate logo, then, discussing the research design and methods, subsequently, outlines with findings and discussion and finally, the research contributions and limitations are summarized along with suggestions for further study.

Defining corporate logo

Even though the discussion on the concept of logo began in the early studies, different scholars have often used the terms ‘corporate logo’, ‘brand logo’, ‘symbol’, ‘logotype’, ‘trademark’ and ‘trade figure’ interchangeably when their definitions have overlapped. However, throughout this study, the phrase ‘corporate logo’ is used as its definition and application is the root of this research.

The corporate logo is defined by each paradigm through its own lens. For instance, marketing academics focus on the corporate and human personality and assert that the corporate logo is a sign of promises to the customer (Kay, 2006); it can become a type of shorthand for the personality of the organisation and its values (Bernstein, 1986). Every company has its own personality, an intellectual and distinctive behavior to serve and discriminate one firm from another. The corporate logo is at the root of corporate identity as well as the main element of corporate visual identity (Balmer, 2001). The literature (Bernstein, 1986; Van Heerden and Puth, 1995) claims that the corporate logo is used to condense the personality of a firm and its values in order for it to be effectively presented to stakeholders. Balmer (2008) defined the corporate logo as a “distinctive way in which an organisation’s name is rendered, principally in typographic form” (p.899). Chajet and Shachtman (1991) state:

“The public sees logos and other visual elements of companies every day, and though surveys show that we think we don’t pay much attention to them, we do, we do. Sometimes a logo takes on a life of its own, going beyond its function as a symbol appearing on a letterhead or at the bottom of an advertisement to the point where it becomes the heart and soul of a company” (p.28).

The characteristics of a corporate logo are embedded in the development of the definition of the corporate logo by marketing scholars as a symbol to represent the corporate reputation and expand upon consumers’ perception of it (e.g. Van den Bosch *et al.*, 2005; Van Riel *et al.*, 2001). The concept of the corporate logo has been defined differently in diverse studies and several meanings have been assigned by different authors. The majority of these meanings

have merged from marketing (Bernstein, 1986; Henderson and Cote, 1998; Van Riel and Balmer, 1997) and design perspectives (e.g. Olins, 1989).

Marketing and advertising researchers studied the visual expressions of the logo (e.g. Kenney and Scott, 2003). Henderson and Cote (1998) state that the corporate logo used as a company's signature (Melewar, 2003; Schmitt and Simonson, 1997). Marketing literature refers to the corporate logo using different outlooks. One group of researchers refer to the corporate logo as comprising the public's first impression of a company (e.g. Bernstein, 1986; Henderson and Cote, 1998; Henderson *et al.*, 2004; Van Riel *et al.*, 2001). Marketing researchers claim that the corporate logo is a graphic element linked with corporate identity to evoke positive and negative emotional reactions and therefore to create positive associations of the company and brand to various stakeholders (e.g. Simoes *et al.*, 2005; Van Riel *et al.*, 2001). However, Foroudi *et al.* (2014) and Henderson and Cote (1998) assert that marketing literature has no systematic research on the effect of design on consumer evaluations of logos.

The corporate logo is used to make aesthetic responses (e.g. Pittard *et al.*, 2007). Marketing literature is very similar to design literature. Design literature refers to the corporate logo as a set of elements (color, typeface, name, and design) that give prominence to a company's products and services; it enables customers to distinguish and identify a brand or a company. They regard the corporate logo as an essential component of stimulus that draws an emotional reaction from consumers (e.g. Alessandri, 2001). Graphic designers and consultants regard the concept of the corporate logo as the way in which an organisation communicates with the public (e.g. Balmer, 1998).

Similar to marketing researchers, the organisational literature centres on the corporate logo as a clear instrument to express the organisational characteristics (Van Riel *et al.*, 2001). Corporate Visual Identity (CVI) "plays a significant role in the way an organisation presents itself to both internal and external stakeholders" (Van den Bosch *et al.*, 2006, p.871). The organisational authors consider the corporate logo to be more than just a visual presentation of the organisation and believe it is crucial for communication with users. The corporate logo is exhibited in the image that a company expresses to its audiences as a product differentiator, to create a favourable corporate and corporate reputation (e.g. Stuart, 1997).

Research methods

A review of the literature on the concept of corporate logo reveals relatively little. The limited study mainly comprises descriptive study on the concept (Foroudi *et al.*, 2014). We draw on this limited writings, especially on to what extent corporate logo can influence on consumers' perception locally and globally, from reviewing the related literature in the marketing, management, and design disciplines. A qualitative research method is chosen, using an exploratory research approach which known as an 'experience survey', consists of "a judgement sample of persons who can offer ideas and insights into the phenomenon" (Churchill, 1979, p.66). This approach helped the researchers to gain insights into the relationship between corporate logo and corporate image and reputation (Dacin and Brown, 2002).

To achieve the study's research objective, the authors conducted 12 face-to-face semi-structured interviews with key informants, design/communication/marketing consultants who are responsible of designing the marketing strategy and using the corporate logo in Persia in Farsi (Persian language). All data were transcribed to Farsi and then were translated. Also, 14 skype in-depth interviews were conducted with design/communication/marketing consultants in Mexico. In-depth interviews from two countries with cross-cultural patterns discussions are very useful to combine (e.g. Palmer, 2011) as a valuable resource that brings a new perspective to existing data (Ritchie *et al.*, 2003). The data collected from the interviews supplied the information and insights to this research and helped to add more data, which was not identified in the literature review.

The study by Foroudi *et al.* (2014) was restricted to design managers and consultants, together with academics. According to their study and Walker (1990), designers and managers have different mindsets, for instance, managers emphasize words while designers emphasize visuals. Therefore, a qualitative exploratory approach was taken by comprising 26 participants who were the key informants who were involved in the implementation of the company's communication, marketing, design and corporate visual identity. The employ of semi-structured interviews provided some level of standardization across the data collection whereas still permitting representatives of each research participants the freedom to communicate their thoughts and perceptions of corporate logo, corporate image, and corporate reputation without undue influence from the researchers.

Persia and Mexico were selected as two countries in emerging market. An emerging market is a country that has some characteristics of a developed-market. Persia/Iran is known as the second-largest nation in the Middle East. In the Inditex's Annual Report (2013), Mexico has been reported as the main market in the American Continent. The data were collected in Mexico City; the capital of Mexico, as well as the largest city in the entire country. These experts were included as this is a fast-moving field of research and the research thus relied on their advanced understanding of the real world of design and marketing in Persia and Mexican context. The interviewee started the first question as general unstructured open-ended questions as, "what are the factors that influence corporate logo favourability? What are the main influences of corporate logo favourability on corporate image and corporate reputation?"

The in-depth interview technique was semi-structured, direct, undisguised and personal interview to discover fundamental motivation, belief, attitude and feelings about the topic. A question sheet was designed to check whether all the areas of interest were covered during the interviews. The questions were based on the respondents' perception towards six topics. (i) The understanding of corporate logo, (ii) the factors that influence corporate logo, (iii) their experience of what they understand the corporate logo and its influences on corporate image and corporate reputation, (iv) discussion of corporate name and whether it influences on the design of the corporate logo, (v) discussion of design, typeface and color, which it used in different logos, and (vi) the main perceived impacts of corporate logo. The interviews were lasted for approximately 1 hour and 27 minutes. The process of the data analysis/synthesis was iterative and corroborative in nature. It followed the general protocol of qualitative research, recorded, collection, recorded, accordingly transcribed, analysis and interpretation of data took place simultaneously (Gummesson, 2000). Qualitative methods were adopted by using content analysis of participants' interviews of their experiences by using NVivo as an appropriate for data administration and to achieve results. NVivo allows the researchers to interrogate the data at a particular level and addresses the validity and reliability of the study results (Bazeley, 2007). To verify the reliability of the coding through content analysis, the code was established more than once (Weber, 1985) by another researcher to gain their agreement on identification of the themes. The researchers used the coding system to analyse each word and phrase, which allowed consideration of possible meanings assumed or intended by the speaker (Weston *et al.*, 2001). In addition, the researchers tried to locate the phenomenon within the data, and markers of where the phenomenon began and ended

(Weston *et al.*, 2001) based on a prior research-driven code development approach (Patton, 2001).

Findings and discussions

The content analysis of this research has identified four elements of the corporate logo (corporate name, typeface, design, and color) and three dimensions that impact on the relationship between corporate logo to corporate image (attitude towards advertisement, familiarity and recognizability) and reputation (Foroudi *et al.*, 2014). Consistent with the literature, all participants stressed the value of developing and sustaining a favourable corporate logo. In agreement with the literature, interviewees emphasised the value of a favourable corporate logo, noted that it influences consumer perceptions of the company, and highlighted its main role in attracting and retaining talent in today's competitive market. We present and discuss our results under two research questions (what are the factors that influence the favorability of the corporate logo and what are the main influences of this favorability on corporate image and corporate reputation?) which identified by Foroudi *et al.* (2014) in the context of global market.

Corporate logo

Though the corporate logo concept is a cornerstone of the marketing and corporate identity discipline, however, so far marketing literature has no extensive study of logos on the consumer evaluations of logos (e.g. Foroudi *et al.*, 2014; Henderson and Cote, 1998; Pittard *et al.*, 2007; Van der Lans *et al.*, 2009) in emerging market. The corporate logo concept embraces characteristics that allow a company or product to be distinguished from another (Van den Bosch *et al.*, 2006; Henderson and Cote, 1998; Melewar, 2003; Schmitt and Simonson, 1997). A corporate logo increases a company's significance as a product and company differentiator; the logo selection or modification is a significant part of the process of corporate image formation (LeBlanc and Nguyen, 1996; Stuart, 1997). Assessing corporate image (how consumers respond to a company's identity) is significant, since a corporate logo is an aspect of daily life (Martinez, 2006) used to influence people's perceptions of a company (Balmer, 2001; Henderson and Cote, 1998; Van Riel and Balmer, 1997; Van Riel *et al.*, 2001).

The operationalization of the corporate logo concept appears to depend on research settings

and which communication tools are mostly used by companies with regards to different stakeholders. The interviewees confirmed their roles are vital to market position. For example, the co-founders of the Persian graphic designer society (IGDS), two artist advisors assert that:

“...we have different design, which can be designed for the audience, we need to develop or create a logical and attractive design which is proportionate with the understanding the needs of the audience also, it needs to understand if the design is readability and has public taste. Usually, most of the logos are designed for informing and notifying the public, and are not really sufficiently readable unfortunately...I believe there are two types of logo graphic design; one can be a local design which designed for domestic use and the other one is a form of graphic design, which is mainly formed for international competitions, is typically mentioned to as Persian contemporary graphic design”.

“... we as designers should more consider about memorability of logo in mind of audience, so if the logo is memorable, it can be unique, it can be differentiated easily among competitors, special on the shelves of supermarket or shops or even websites...a well-designed logo should easily recall and retain... when audience are familiar with the logo, like the logo and products, it is the moment that helps sales...companies to improve their sales and profit, should employ a logo as key tool to attract audience through their adverting, social media, even business card. We should consider transmitting consistent message to audience”

This quotations were confirmed the role of decision-makers in corporate identity management (e.g. Balmer, 2001; Simoes *et al.*, 2005). Scholars stated that organizational management is responsible for creating a favorable corporate logo to convey a consistent message to internal and external audience.

The following quotation from Mexican consultant respondents in follow-up interviews suggests that corporate logo is the most important cues to ‘communicate company’s personality’ to its customers and employees, an example includes:

“Creating and designing a logo can be an expensive asset of a company, is potentially valuable visual symbols since they can express both the personality and the philosophy and mission of a company, a well-designed logo should illustrates the specific business objectives, and characteristics of a company to target markets... should be flexible which can be used on a wide variety of materials, from business card to the sides of vehicle and shirt insignias, should everywhere the same”.

Interviewees referred to the recognition dimension of logo. The corporate logo is used as a badge of recognition for the brand, product and company, and as a sign of promises to the consumers (Ewing, 2006; Kay, 2006; Pittard *et al.*, 2007). Logos as a signature of the

company can add value by stakeholders seeing and recognising the logo and clearly linking the shape and design the organization it represents (Henderson and Cote, 1998; Kilic *et al.*, 2011). Consumers make judgments about the image of an organization from its logo design and have strong perceptions about which corporate names are appropriate for different corporate images. A Mexican consultant participant commented that:

“A good logotype design generally referred to as a design which created for an individual company, brand and product... designed to connect with audience quickly...communicate quickly...be a characteristic, unique and simply recognized, and to understand what the logo means or related to which company or brand”

One Persian graphic designer interviewee reflected this idea:

“If you at Homa, Iran Air logo, which is ancient Persian motifs, Persian mythological griffin and inspired by an image atop one of the columns at Persepolis, the design has three unique characteristics. First is an eagle's head, second is a horse's mane and third is cow's ear. It has no legs, according to ancient history, the griffin never rests, living its entire life flying invisibly high above the earth, and never alighting on the ground. It designed about 50 years ago but still so fashionable and unique, also recognised as the best looking airline logos in the world, it is logo, unique with no life cycle. People easily can recognise what the logo stands for”.

The above quotation revealed that corporate logo as an efficient management tool to orchestrate the desired features and is used to communicate (Van Riel *et al.*, 2001) who the company is and what it is stands for (definition of corporate identity) (Balmer, 2006; Stuart, 1997; Van Rekom, 1997; Van Riel *et al.*, 2001). A corporate logo is used to evoke the set of associations to communicate one clear desirable message to the consumers (Durgee and Stuart, 1987; Keller, 1993; Schmitt, 1995). A corporate logo has the dual function of representing and differentiating: the optimistic purpose of representing what a company is and the negative function of representing what a company is not, that is, the company is not its competitors (Henderson and Cote, 1998).

Studies by researchers (Clow and Baack, 2010; Henderson and Cote, 1998; Muller *et al.*, 2011; Van der Lans *et al.*, 2009) place emphasis on the memorability of a logo that impacts on receivers' perception. The findings illustrated that affection triggering corporate logo can influence on individuals' memories (Henderson and Code, 1998). Example from a Mexican

interviewee can be showed as follows:

The company's logo has a robust influence on how your company or brand is perceived in the market. It communicate what inside the package, what you are selling, it can help them remain loyal customers... it influences on the perception of your business size, the good professional looking logo make your business look proficient and larger than what it is, even you have two employee...By having an eye-catching logo, not only you can make better connection with people via social media... a good logo can increase trust...also, it increase memories, should be memorable...customers make feeling that your brand company will be around for years to come, also, it can make customer happy to be associated with you like BMW owners, they feeling good to drive BMW.

This finding is consistent with previous research in marketing literature (Henderson and Cote, 1998; Kilic *et al.*, 2011) that referred to memorability as one of the push factors that are considered to motivate individuals to generate positive responses and to purchase the product (Dann, 1981; Lee and Crompton, 1992).

Constituents of company logo

There are countless dimensions of logo that characterize the perception of customers towards a logo (Foroudi *et al.*, 2014). This paper supports the existing dimensions produced from previous researches. Based on the current research results from the interviews with designers and marketing managers, the main four factors which confirmed the influences on corporate logo are (i) corporate name (Hatch and Schultz, 1997; Henderson *et al.*, 2003; Melewar, 2003), (ii) typeface (Childers and Jass, 2002; Foroudi *et al.*, 2014; McCarthy and Mothersbaugh, 2002), (iii) design (Andriopoulos and Gotsi, 2001; Foroudi *et al.*, 2014; Henderson and Cote, 1998), and (iv) color (Baker and Balmer, 1997; Gabrielsen *et al.*, 2000; Tavassoli, 2001).

Corporate name --> corporate logo

Cohesiveness leads to the development of consistency in logo design while the name also communicates and improves the intended organization meaning to audience. In addition to the statistical findings, interviewee commented during the exploratory stage, which presented a clear understanding of the relationship between corporate name and corporate logo. A chairman of a company established the importance of corporate name as a big task for the creative director. Communication managers revealed that in their advertisement, they highlight the name of their company behind the logo to assurance of quality. Furthermore, corporate name helps consumers to distinguish the organization or the product against the

competitors. A favourable company's name seeks to engender a favourable corporate attitude towards the company. The following is an example from a Manager of Mexican Industrial Design and Human Factors,

“Each company has its name, which can be the main cue to differentiate goods or services in the market... brand or corporate name is like human, we have different name and personality, quality, origin which allowing people to recognise us. The company's name is asset of the company, without name to monitor buying decisions, the market would be confusing...we buy Mercedes-Benz for its extremely high quality, durability, and performance, however, it effects on my emotional benefits can be connected to public view of social status. A well-chosen or designed name for the brand can communicate a message about the organisation's marketing as well as organisation's personality to the people... Frequently the name can help the brand or company to be more recognisable... a well-chosen brand name should be very simple and quite short; should be spell and pronounce easily by different people from different culture in only one way, it should be remember easily, better to be related to the product's benefits, not likely to become dated”.

Typeface --> Corporate Logo

Typeface embraced corporate logo features that are linked to both marketing communications and visual identity in order to present an organization to internal and external stakeholders. The corporate logo is the key element of the corporate visual identity: it represents a ‘hard’ aspect of identity and is likely to be the main practical factor of the corporate identity. Furthermore, the corporate logo, as a root of the corporate identity, is about articulating a company's features in a way that allows for the transmission of a consistent image (Childers and Jass, 2002; Henderson *et al.*, 2004; Hutton, 1987; McCarthy and Mothersbaugh, 2002; Pan and Schmitt, 1996; Tantillo *et al.*, 1995). Typeface is an important dimension of the corporate logo (Carter, 1982; Hagtvedt, 2011; Melewar and Saunders, 1998; Olins, 1991) and its implementation is thus crucial, which can support other elements of corporate visual identity systems (Henderson *et al.*, 2004; Spaeth, 1999). There is also a fit with the perspective advocated by Henderson *et al.* (2004), that a company's typeface helps to communicate the company's goals and the message should communicate consistency

(Bottomley and Doyle, 2006; Klink, 2003). This may involve pragmatic actions. As one Persian graphic designer interviewee explained,

“When we design a logo with typeface, we consider that it gives context for an emotion which needs to evoke in the logo as what is the main message to people...we should consider, readability, what make it legible, special when using across different devices or used in different culture, how it handle resizing and spacing... it should be beautiful...recognisable, all related how to design and if the designer is not knowledgeable, the simple mistake can destroy the company in the market”.

The comments above signified the direct relationship between the corporate name and corporate logo.

Design --> Corporate Logo

There is also a fit with the perspective advocated by Van der Lans *et al.* (2009) that design is a language that communicates to stakeholders, independent of verbal information that helps memorability towards the company and product. It is essential for managers and researchers to understand the significant influence of corporate logo design on consumer responses to the logo, company, and product (Henderson and Cote, 1998). This may involve pragmatic actions. One Mexican consultant interviewee observed:

“Design is the main element of logo which needs to consider as an essential element which use to present your company. Design of graphic of the logo is the visual look and feel helps to make relations among products and audience. The design of logo needs to be easily recognisable in its visual content so audience can makes instant associates as to understanding what the design means...it makes reputation... I think it is used to detail the structure of a company...it can make strong Visual Identification when logo communicate about the business...importantly, design of logo represent implicit values, ideas, and even a personality of the company which make memorable and distinct logo in the market”.

The comments from other participations also support that design is an important element of corporate logo. Logo represents something in institution or a company and a favourable design of a logo should communicate something important behalf of a company. The findings illustrated the importance of design as a key predictor of the corporate logo.

Color --> Corporate Logo

The final factor identified in the literature relates to the implementation of color. Today, companies realise the value and importance of a brand or company's corporate logo and its

color to categorize their service or products and distinguish their brand from competitors. Color “induces moods and emotions, influences consumers’ perceptions and behavior and helps companies position or differentiate from the competition” (Aslam, 2006, p.15). According to O’Connor (2011) the color red has a number of different meanings across different settings. Colors have physiological effect and Hynes (2009) suggested that different colors have different impact on people. In general, other justifications could be given from a Mexican Marketing Manager’ comment that:

“We know we should design a logo black and white, if the logo was well-designed, then we add color to it...these days less people use fax or stamp, or keeping hard copy of documents on the shelves... color gives some senses to the logo, make the logo alive, offers an instantaneous method for conveying meaning and message to the logo...it is the most influential non-verbal form of communication...minds and eyes are designed to respond to color very quickly, we hung on the identification of color... color is a very significant part of human daily lives...it is significant for us as designers to understand the meaning behind the colors and use the right one...color often used in logo design to grip the viewer’s attention, for example, red as intense color, is incompatible emotions from blood and warfare to love and passion and can raise one’s blood pressure or make people hungry. Green symbolizes life and renewal and companies use green to communicate to the audience that we are Eco-friendly. However, blue known as confidence, dignity, and trustworthy, it is the most popular color which used in logos extensively in government and medical”.

The comments above signified a negative outcome of colors characteristics, which can be the main distinguishing feature among a set of near-identical logos. As a result, recall bias may have affected the impact of their attitude because it may have been combined with other affective perceptions.

Corporate Logo Consequences

The literature recommends that a corporate logo can lead to several outcomes. The results reveal the significance of company’s corporate logo in enhancing corporate image (Brown and Dacin, 1997; Karaosmanoglu *et al.* (2011) and corporate reputation (Chun, 2005). The findings are consistent with prior studies (Balmer, 2005; Ewing, 2006; Henderson and Cote, 1998; Melewar and Saunders, 1998; Van den Bosch *et al.*, 2005; Van Riel *et al.*, 2001) to confirm the existence of a positive relationship between corporate logo and corporate image and corporate reputation. Consistent with prior studies, this research also found a corporate logo can impacts in the mind of consumers and also can transfer positive feeling towards the corporation (Henderson and Code, 1998).

Corporate logo --> Corporate Image

The more favourable the corporate logo of an organization is perceived by the consumers, the more favourable the image consumers have towards the company (Foroudi *et al.*, 2014). It is demonstrated in conjunction with the support from the information obtained from interviews and the literature review in order to provide insight details of the direct and indirect relationship between corporate logo and company's evaluation. For instance, according to a Mexican design consultant,

"In marketing, we believe, the first impressions are lasting impressions. It is very important to design a logo which is align with your business values, activities and culture, it is critical in our image sensitive world, to design logo, we try to encapsulate all the essence of the business by selecting right design, color, and typeface... the first impressions can create a favorable mental image of the business in a consumer's mind or can create a negative image...also, investing in a company's logo can develop a sense of value, trust, and a connection with customer".

Furthermore, a Mexican communication expert stated that:

"The management of the company's image in mind of audience involves management of the company's logo, its brand images, and etc... to have a good image management; company should ensure that company say the same thing in the same way for a consistent message...special in designs posters, websites, advertisement, and other communication cues...if a company require to change the image in the mind of customers, should first change the company's logo then

In addition, strong evidence in qualitative study and literature are present (Henderson and Cote, 1998; William and Moffitt, 1997) supporting the relationship between corporate logo and corporate image.

Corporate image --> corporate reputation

Corporate image has influence on corporate reputation (Balmer, 1997, 1998, and 2001; DeChernatony, 1999 and 2001; Fombrun, 1996; Fombrun and Shanley, 1990; Gray and Balmer, 1998). In the marketing literature, corporate reputation is widely acknowledged to be of the utmost significance (Chun, 2005). However, it is difficult to define and explained. According to Groenland (2002) business executive cannot provide a clear definition of corporate reputation construct. Corporate reputation and corporate image have used

interchangeably (Bick *et al.*, 2003; Simoes *et al.*, 2005), however, this study confirmed these constructs as two separate constructs. “Corporate image is the immediate mental picture an individual holds of the organization. It can materially affect individuals’ sense of association with an organization and is likely to have an impact on behavior” (Balmer *et al.*, 2011; Belt and Paolillo, 1982; Foroudi *et al.*, 2014, p.2271; Karaosmanoglu *et al.*, 2011; Keller, 1993). However, corporate reputation endowed with a judgment and is the overall evaluation (Gotsi and Wilson, 2001; Herbig and Milewicz, 1994). The corporate reputation is the stakeholders’ overall evaluation of a company. Over time it can be assumed that an individual stockholder’s emotional association with an organization has an impact on the image he/she forms of that organization (Gotsi and Wilson, 2001; Kennedy, 1977). For example, one Mexican marketing consultant stated that:

“Logo is the main element of a company to communicate to customers...it is difficult to build reputation and is very easy to destroy the reputation. It is like relationship between humans, if I lie to you, and you find out, it means I lost trust and the relationship is destroyed, you never trust me again. It takes ages to build relationship to the customers and companies actively work to create and communicate a positive image to their customers, and stakeholders, always should make this relationship strong”.

The findings show that robust evidence in this respect and a definite positive relationship between the corporate logo, corporate image, and corporate reputation. A company’s logo can also influence on company’s reputation via achievement of consumers’ evaluation (corporate image). Logo can affect the reputation of the company as far as expose to them. For instance, IBM logo or Coca Cola, which back to over 50 years, are the key relationship between companies and people and takes time to build up the company’s reputation. Furthermore, a Mexican communication manager stated:

When we talk about image, we talk about set of feelings and beliefs that we have about a firm. If a company has strong identity, can build strong image in mind of customers, this image can be built through picture of a city or sensory feelings, for example, interaction with the place which was enjoyable, you visited a city and had a nice coffee in a nice café, the next time you visit the city, you want to go and have another coffee there ...is image mainly combination of cognitive, logical and an emotional or either feeling aspect ...it is the same, you go to shop, without searching, you pick up your brand, you recognise your product from its logo and package...corporate reputation is very related to the attributed values, for instance, authenticity, honesty, responsibility and integrity, is the way the company history is perceived in their customers while they exist in the market for some time...yes logo is associated to a company’s image and reputation.

Dowling (2001) asserts that the corporate logo impacts on positive and desired attributes to evoke a more positive reputation. The findings specify is well established and validated in numerous previous studies (Van Heerden and Puth, 1995; Van Riel *et al.*, 2001).

Corporate Logo --> Attitude towards Advertisement

Lichtle (2007) studied on the effects of advertisements' color on attitudes towards advertisement shows that people who are in a good mood tend to have a positive attitude and a favourable attitude towards the advertisement which directly impacts on their perception. In addition, from the interview, Mexican consultants also described from their perspective in this regard:

"I think logo usually is the greatest visual connection anyone has with a brand or company. I think in Facebook and twitter, our picture can be our logo. It communicates the same purpose and the same weight as brand or company logo. Companies use advertising to builds awareness among their audience, advertising can be changed but the logo not...the logo has the strong relationship to the audience".

"The most effective advertisement, is the one which is memorable for the viewer....should be clearly recall...also, it should be effective targeting by knowing exactly who your target audience is, by knowing this, should capturing their attention, however, not really all ads are interesting or communicating to the audience efficiently, there are so many advertisement, but have not seen any interesting one which I can recall it".

This means that consumer's attitude towards advertisements and recognisability to product/services and company may not make a big impact on consumers' perception. According to Baker and Balmer (1997) the contents are usually too detailed to be effective and remember easily. It is generally accepted companies not only use advertisement to persuade audience about their product and their companies' benefits, but also to reach large audience, and influence on consumers' taste and perception to create strong image. An effective advertisement is the advertisement to assist advertiser to attain its goals (Doyle and Saunders, 1990) and influence on audience' attitude toward the advertisement. Companies use their logo as an essential element to communicate behalf of the company can and influence liking or persuade audiences.

Corporate Logo --> Familiarity

“Logos contributes strongly to an increase in the familiarity and appreciation of an organization” (Chadwick and Walters, 2009, p.71). According to Foroudi *et al.* (2014), “the direction of the interaction of product familiarity with a company depends on the corporate logo (the visual elements of a corporate identity system)” (p.2272). In line with Samiee (1994), familiarity with company and product affects evaluations, but does not necessarily influence perceptions of product. Therefore, familiarity with company and product are hard to influence on consumers’ perception. As a result, it can be a challenge for companies to increase their consumers’ familiarity with the company and its services. During the interview, a Persian design consultant also said that:

A well-designed logo for a brand or any company should make instance connection to the audience. Truly, a good logo should be memorable, if it is memorable and recognizable, it can build familiarity and increase trust and credibility in the market, specially compare to the competitors. The familiarity can be guaranteed by consistency and logo as visual cues require supporting each other. Familiarity with product and services is a significant response to strive for since familiarity breeds favorability towards company and product”.

The above comments illustrated that there is association between familiarity with company and product on corporate image constructs.

Corporate Logo --> Recognizability

A logo is known as the basic and fundamental element in the development of corporate identity design. Firms must recognize the implications of design for all responses because multiple responses may be elicited (Henderson *et al.*, 2004). The essence of an organization is expressed by the logo through its corporate visual identity (Ashworth and Kavaratziz, 2010; Van den Bosch *et al.*, 2005 and 2006; Van der Lans *et al.*, 2009). Consumers recognize the products and services based on the logo, which they emotionally associate with the brand. It serves as an enhanced tool to help the company be recognizable to its customers/consumers. When products and services are complex to distinguish, a logo can be the vital element as the key distinguishing characteristic of a brand and company (Aaker, 1997). A logo is one of business’ most outspoken nonverbal cues. It has the role of: creating awareness; triggering recognition of an organization; and, activating a stored image of the organization (Dowling, 2001). The corporate logo is used in the company’s communication process to create positive emotions and enhance recognition of the company and brand (Balmer and Gray, 2000;

Henderson and Cote, 1998; Melewar *et al.*, 2005; Muller *et al.*, 2011; Pittard *et al.*, 2007; Van den Bosch *et al.*, 2006; Van der Lans *et al.*, 2009) and obtain a consensual definition among the target audience (Clow and Baack, 2010). This view is illustrated by the following statement from a Mexican Communication Manager:

A logo in any company is the face of the company, when I see you next time, I can recognise your face, a logo design and color should be the same, it should be enough bold and memorable and instantly recognizable, it is the key to success to design a good logo...it should create positive image and reputation in mind of audience...it should be easily transferable to any medium, social media, apps, packaging, billboard or website...it should be recognisable at the first glance, doesn't matter is black and white or in any sizes...to have successful logo in the market, you should keep it simple, memorable and clear, importantly, recognizable across numerous marketing mediums...should associate specific feelings or ideas about the brand or company which transfer the its identity and personality in the mind of the consumer. A logo is the strongest cues to communicate who and what the brand or company is...with changing consumer behavior and technology, I am really interested to know what is in the mind of the next generation.

Henderson and Cote (1998) assert that a well-designed logo influences on company and product recognisability in two levels. First, customer remember seen the logo (correct recognition). Second, logos must remind consumers of the company or product (recall). The examination illustrated that there was, to some extent, a relationship between recognisability and corporate image.

The Theoretical and Practical Implications of the Study

This study demonstrates that the corporate logo and advertising are tangible assets for the organisation. Furthermore, both are significant to customers and offer symbolic representations of a company. Corporate logo and advertising are frequently employed to highlight information and attract consumers' attention. The findings of this study provide support for the discussion about the relationship between the corporate logo, corporate image and corporate reputation which was introduced by Foroudi *et al.* (2014) in Persia and Mexico as an emerging market context from the graphic designers and communication managers' perspective. In general, it is found that the main factors which influence the corporate logo are corporate name, typeface, design, and color and the main consequences and benefits of corporate logo are corporate image, corporate reputation, attitudes towards advertisements, familiarity and recognisability. Foroudi *et al.* (2014) assert that the creation of a corporate logo is an arduous task for companies as it is the first impression a consumer has of a

company and it can come to encompass the entire corporate image and corporate reputation. It is one potential path for managing the perceptions of a corporation among a company's stakeholders (Baker and Balmer, 1997; Henderson and Cote, 1998; Van Riel *et al.*, 2001).

Accordingly, it can be argued that organizations spend extensive time, research and money on developing a favourable logo that reflects the organization's identity and helps to mould its image in a positive way. In this respect, marketing an organization as a whole can be considered as leveraging in order to position the corporate logo in the minds of stakeholders. Furthermore, the results illustrates that not only the design of the logo and its components, but also, recognisability and familiarity towards corporate logo as well as attitude towards advertisement have impact on corporate image and corporate reputation formation.

In general, it can be argued that our findings provide an indication for the following premise: (i) the more favourable the corporate name, design, color, and typeface perceived by consumers, the more favourable the attitude consumers have towards the corporate logo, (ii) the more favourable the corporate logo of an organization is perceived by the consumers, the more favourable the image consumers have towards the company, (iii) the more favourable the attitude that consumers have towards a company's corporate image, the more favourable the reputation consumers have towards the company, (iv) the more favourable the corporate logo of an organization is perceived by the consumers, the more the consumers are familiar and recognizable with the product or the company, and (v) the more favourable the consumers' attitude towards a company's advertisements, the more favourable the image consumers have towards the company.

There is a contrary expectations analysis between the impact of color from Mexican and Persian consumers, our findings suggest that the selection of color in a corporate logo is dependent on its cultural values, desired customer relationship levels with the firm, marketing objectives, and corporate communications. Color preferences require high-involvement decisions (Foroudi *et al.*, 2014; Grossman and Wisenblit, 1999).

The findings suggest that if the name of a company is meaningful, pleasant, unique and recognizable, and affects their judgment and behavior, the Mexican consumers have more favorable attitude towards the corporate logo, corporate image and reputation. However, the

name of a company has less effect on Persian judgment and behavior, towards the corporate logo, corporate image and reputation.

The findings of the study is consistent with the attribution theory (Graham, 1991; Kelley and Michela, 1980; Weiner, 1992), which recommends that when individuals succeed or fail in dynamic interactions, it affects the inferences they make about the particular behaviors; this study's findings demonstrate that when individuals perceive a favorable corporate logo, there is an immediate mental model that they hold of the organization and a greater sense of association with the organization, which is likely to impact behavior (Karaosmanoglu *et al.*, 2011).

This study shows the relevant mechanisms underlying the associations between corporate logo, corporate image, and corporate reputation in the Persia and Mexico contexts. Therefore, this research contributes to existing knowledge by extending findings in previous studies (Foroudi *et al.*, 2014). For example, several researchers (Balmer and Gray, 2000; Fombrun and Van Riel, 2004; Foroudi *et al.*, 2014; Olins, 1989; Van den Bosch *et al.*, 2005; Van der Lans *et al.*, 2009) suggest that corporate logos are related to corporate image but they have rarely examined this relationship in emerging market.

The research is thus also able to contribute to marketing theory. Corporate logos have received the attention of marketing authors (Balmer, 1995; Foroudi *et al.*, 2014; Henderson and Cote, 1998; Van Riel *et al.*, 2001). The contribution is to grasp a broader view of corporate identity as well as marketing by investigating whether the incorporation of the corporate logo influences the image and reputation of a firm from the consumers' perspective. So far, after Foroudi *et al.* (2014), is the second study to empirically validate the assumption made by researchers (Henderson and Cote, 1998; Pittard *et al.*, 2007; Van der Lans *et al.*, 2009; Van Riel *et al.*, 2001), however it is the first study to examine the impact of corporate logo on corporate image and corporate reputation from two countries in emerging market.

Though during the course of this study, a recent study by authors (Clow and Baack, 2010; Foroudi *et al.*, 2014; Muller *et al.*, 2011, Van der Lans *et al.*, 2009) investigated on logos but the studies were not conducted in relation to corporate image in emerging market. Researchers (Henderson and Cote, 1998; Pittard *et al.*, 2007; Van der Lans *et al.*, 2009)

results contribute to filling the gap of existing theory in this research field. The present paper, therefore, extends past studies by examining the relationship between corporate logo, corporate image, and corporate reputation.

This study adds knowledge to the literature in field of corporate logo and corporate visual identity. This is the first research of its kind to find the effect of the compound logo on consumer evaluations of logos (Foroudi *et al.*, 2014; Henderson and Cote, 1998; Pittard *et al.*, 2007; Van der Lans *et al.*, 2009) in emerging markets of Persia and Mexico. This study, therefore, contributes to the extension and strengthening of the understanding of the corporate logo in order to strengthen the relationship between corporate logo and its antecedents and consequences (corporate image and corporate reputation).

On the basis of the theoretical contribution discussed, the theoretical and empirical insights derived from the study have several implications. This research offers managerial contributions for decision-makers and graphic designers who wish to understand the whole situation of the relationship between a favourable corporate logo and the factors in its antecedents (i.e. corporate name, typeface, design, and color) from the graphic designers and communication managers' perspective and its effect on a favourable corporate image and favourable corporate reputation.

In terms of managerial implications, this paper aims to make managerial implications for designers, managers/decision-makers in terms of what should shape their approaches to the management of the company's corporate logo and its key components (color, corporate name, typeface, and design) as a complex phenomenon to enhance more favourable company's corporate image and reputation

The results of this study may provide actionable guidelines for managers and practitioners. This study suggests that managers should understand that the corporate logo is a complex phenomenon since it is determined by multiple factors including corporate name, design, and typeface. It suggests that managers should be cautious about designing and selecting corporate logos.

Corporate logo must be considered a constructive tool that can be successfully applied to managing the reputation of any organization. Moreover we suggest that regional or cultural

variants can play an important role while selecting the logos in different cultures. Foroudi *et al.* (2014) conducted semi-structured interviews with experts and focus groups of academics in UK and did not consider graphic designers. In order to explore the respondents' experiences, feelings, beliefs and understanding about the concept of the study, we collected data from graphic designers and communication managers in emerging market which is novelty of this study. Based on the contribution to Foroudi *et al.*'s (2014) study, there are differences among designers and managers' mind-set, managers mainly emphasising on words and designers emphasising on visuals and is require to communicate in a common language from a similar point of view (Henderson *et al.*, 2003; Kohli *et al.*, 2002). This study, therefore, sets a new benchmark for further study in this field. Furthermore, this study finding is consistent with previous scholars (Bhattacharya and Sen, 2003; Foroudi *et al.*, 2014), who confirmed that the more favorability the company's logo, the more favorable product and services recognizability. The lack of any investigation in this field necessitated to conduct a qualitative study with an aim to develop conceptual relationships with a view of theory formulation. We recognise that these results cannot be generalized for other emerging markets. However, this study would facilitate other researchers to design a comprehensive instrument suited to develop empirical investigation in cross country context. The study is to evaluate the internal stakeholders view to define these relationships at the design stage. Future studies may look into outside view of the theory generation by measuring the attitudes of consumers.

This research conducted semi-structured interviews with design, marketing and communication managers to explore the respondents' experiences, feeling, beliefs and understanding about the concept of the study. The research design could be another limitation of this study. Therefore, the qualitative questions were aligned to the study and have probably limited the opportunities to generalise the results, further study here is also recommended. In addition to the research design, the qualitative study was restricted to design, marketing and communication managers. However, the research did not consider consumers. The results might have been different if the study had included managers, graphic designers, and consumers. Hence, care should be taken when interpreting these findings.

Conclusions

This is the first research of its kind to find the effect of the compound logo on consumer evaluations of logos in emerging markets of Persia and Mexico. This study has examined the

concept of corporate logo and its relevance and importance within organizations. Corporate logo as the key element of corporate identity is an issue of growing importance to all companies. This paper has highlighted in particular that corporate identity extends beyond the company's corporate name, typeface, design, and color, which it covers all forms of communications of the organization. Any company wishing to increase its position not only in the market and to ensure that it gives importance to its corporate image and relationship.

Moreover, this research illustrates that corporate logo as main element of corporate visual identity has an impact on company and product familiarity (Chadwick and Walters, 2009; Melewar and Saunders, 1998). Also, the direction of the interaction of product familiarity with a company depends on the corporate logo (Melewar and Saunders, 1998).

The research findings suggest that the selection of color in a corporate logo is dependent on its cultural values, marketing objectives, desired customer relationship levels with the firm, and corporate communications. For Mexican market, the more favorable the color used in a company's logo, the more favorable the attitude consumers have towards the corporate logo, corporate image and reputation. Also the Mexican market put more emphasis to the name of a company; it is to be meaningful, pleasant, unique and recognizable, and consequently the consumer exhibit more favorable attitude towards the corporate logo, corporate image and reputation. However, the name of a company bears little effect on judgment and behavior towards the corporate logo, corporate image and reputation in the Persian market.

This study suggests that the corporate logo can lead to several outcomes (corporate image, corporate reputation, attitude towards advertising, recognisability and familiarity). A favourable corporate logo has been found to lead to positive outcomes such as a favourable corporate image and corporate reputation. Corporate image and corporate reputation are the external reflection of a company's internal identity; the logo can influence the perceptions of an organization's customers and help customers to formulate a framework of expectations about the company's product or services.

In addition, this study described how practitioners applied corporate logo as a strategic resource. In the organizations, the design manager and an organizational manager (e.g. CEO and marketing manager) are responsible for facilitating communication and the flow of information within and outside the company. A competitive marketing strategy is possible

only if the management is able to communicate with designers by using a common language with a similar point of view (Henderson *et al.*, 2003; Kohli *et al.*, 2002). The findings of this study will, we hope, help CEOs and the design managers to collaborate with designers to formulate the best competing strategy for the company.

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